



CALIFORNIA HIGH-SPEED RAIL AUTHORITY

Board Meeting Minutes

June 3, 2010

Sacramento, California

(Approved 8/5/10)

The meeting of the California High-Speed Rail Authority was called to order on June 3, 2010 at 9:11AM at the Sacramento City Council Chambers in Sacramento, CA.

Call to Order and Roll Call

Members Present: Curt Pringle, Chairman
Rod Diridon, Sr.
Richard Katz
Lynn Schenk
Fran Florez
David Crane

Members Absent: Russell Burns
Thomas Umberg
Quentin Kopp

Pledge of Allegiance

Administered by Lynn Schenk

Introduction of New CEO, Roelof van Ark by Chairman Pringle

Comments of Mr. van Ark

Mr. van Ark's stated his priorities are: 1) assembling a stronger and more experienced management team in the Authority; 2) revisiting some of the assumptions that have been made on the project and check their validity; 3) make progress on federal and private funding; and 4) partnering.

Mr. van Ark stated that experienced people are needed in the core team, and the project needs proper oversight, enhanced risk management and a proactive public outreach. He has read the organizational assessment done by KPMG, the LAO Report, and the State Auditor's Report. They all pointed to some of the same things the Authority needs to address. There are very few people on that current team and this team needs to be enhanced and strengthened. In order to fill out this team funding must be provided in order to hire the necessary people and the Legislature must approve a budget with the allowance to hire these people.

In the first 60 days Mr. van Ark will strive to meet with all of the teams of the project and understand all of the strengths and weakness of the project. Mr. van Ark stated that \$11 Billion in funding is already available for this project, now the Authority needs to focus on securing further funding for the project.

In closing Mr. van Ark stated that a project of this nature requires partnership with local governments, regional transportation agency partners, community groups, State Legislators, Congress, and to domestic and foreign private investors.

Public Comment

Public Comment called for by Chairman Pringle. Public comment was offered by several city and county representatives, as well as concerned citizens.

Approval of December Board Meeting Minutes

Minutes unanimously approved.

Audit Review Committee Report

The Audit Review Committee is reviewing all of the recommendation and responses the staff prepared as it pertains to the Bureau of State Audits and will be issuing the 60-Day Audit response June 28, 2010. The Audit Review Committee will meet on June 21, 2010 at 10am for the final review of the audit response.

Member Diridon moved that the opinion by Authority's legal counsel from the Attorney General's Office regarding the Open Meetings Act and the Peer Review Group be released. Member Katz seconded, and the motion passed.

Executive/Administrative Committee Report

The FRA Memorandum of Understanding Concerning Federal Funding to Transbay Terminal was not completed and therefore was continued to the next committee meeting.

The amendment to the Board Policies and Procedures presented on the agenda was continued to the July meeting due to modifications requested by the committee.

Carrie Pourvahidi gave a brief overview of the contract amendment request for Los Angeles – Anaheim Preliminary Engineering and Environmental agreement with STV, Inc. Ms. Pourvahidi stated that the Authority entered into agreement with STV in January of 2000 to do the preliminary engineering and environmental work for the Los Angeles to Orange County segment of the high speed train program. The contract was assumed to be a three year venture for \$21.4 million. The estimate of \$21.4 million was based on a 2005 implementation plan that the Authority had prepared. To date, the Authority has spent the \$21.4 million. The contract has been amended by \$1.6 million bringing the current total to \$23 million for this work. The Authority is in need of amending the agreement by \$10 million in the 2010-2011 fiscal year. Tony Daniels presented the details of the contract to the Board. *(The full contents of that presentation are available on the California High-Speed Rail Authority web site).*

Member Katz moved to approve the amendment to the contract, member Diridon seconded the motion, and the motion passed 6-0.

Operations Committee Report

Member Katz gave a brief report on the Operations Committee Meeting stating that there had been good progress made on the shared corridor concept between Los Angeles and Anaheim and some good results are coming out of that work. The potential to use shared track is great, the cost saving is great, and things are looking good.

Member Katz indicated that a lot of work still needs to be done on the Program Management Reports and the oversight needs to be tightened up. There are still some questions that are not getting answered and that's unacceptable.

The item related to the Memorandum of Understanding – OCTA, Anaheim and the Authority was removed from the agenda at this time.

Alternatives Analysis Preliminary Report – Fresno to Bakersfield

Carrie Bowen gave opening remarks and Tom Tracy from the Program Management Team gave the Alternatives Analysis presentation. (*The Alternatives Analysis report is available at www.cahighspeedrail.ca.gov*).

Public Comments on Alternatives Analysis Preliminary Report – Fresno to Bakersfield

Public comment was offered by several city and county representatives, as well as concerned citizens.

Member Diridon moved to approve the narrowing of alternatives alignment by staff and Member Katz seconded the motion, the motion passed 6:0.

Alternatives Analysis Preliminary Report – San Jose to Merced

Dan Leavitt gave opening remarks and Dave Mansen representing Parsons gave the Preliminary Alternative Analysis presentation. (*The Alternatives Analysis report is available at www.cahighspeedrail.ca.gov*).

Public Comments on Alternatives Analysis Preliminary Report – San Jose to Merced

Public comment was offered by several city and county representatives, as well as concerned citizens.

Member Diridon moved to approve the alternatives alignment by staff, Member Katz seconded the motion, the motion passed 6:0.

Executive/Administrative Committee Report Continued

The committee took action on modifying its existing position on three bills. Chairman Pringle wanted to make sure the Board had an opportunity to concur with the Executive/Administrative Committee's action. The first bill is Assemblymember Galgiani's AB289. The committee recommended changing its support position to a monitor position. The second bill is Assemblymember Galgiani's AB1747. The committee recommended going from a no position to a monitor position. The third bill is Senator Alquist and Senate President Pro Tempore Steinberg's

SB964 related to High Speed Rail Workforce Development. The committee recommended going from a monitor position to a support position. These modifications were unanimously approved by the committee.

After some discussion on the modifications, Member Diridon moved to approve the recommendations of the Executive/Administrative Committee on AB289 and AB1747. Member Katz seconded the motion; motion passed 6:0. No action was taken on SB964 because of debate regarding the bill.

Members Reports

Chairman Pringle reported that since January, the Authority has had six or seven Legislative hearings at which many members of the Board participated. He thanked Member Katz for participating at the Senate Budget Sub-Committee Hearing and Member Kopp for participating at the Assembly Budget Sub-Committee Hearing during the past week.

Executive Director's Report

Interim Executive Director Carrie Pourvahidi thanked the Board Members who accompanied her to the Senate Budget Sub-Committee Hearing and Assembly Budget Sub-Committee Hearing. On May 11, 2010 the Authority's Audit Report was heard at the Senate Transportation Committee. The Authority is working on putting together a response. The response needs to be submitted to the Bureau of State Audits by June 28, 2010.

The Senate Budget Sub-Committee Hearing was on May 24, 2010. As was the case with last fiscal year's budget, there is some provisional language that is being suggested by the Senate Budget Committee suggesting the holding back of 25% of the Authority's budget contingent upon submittal of a report to the Joint Legislative Budget Committee by February 1st. The report needs to address the revenue guarantee analysis, outreach activities, a financial plan update, a strategic plan, and a program management performance report review, as well as how the Authority is addressing the Bureau of State Audits' findings. Some of the other issues that are being addressed in this proposed Senate Budget language for the Authority are: 1) the funding of the Peer Review Group at \$250,000; 2) changing the format of the Authority's budget, breaking it down by programming within each corridor, by property acquisition which includes environmental work, and by engineering aspects; 3) clarifications on Memorandums of Understanding.

The Assembly Budget Sub-Committee Hearing was on May 26, 2010. Issues were similar to the Senate, but the budget that the Committee passed was different than Senate's version and therefore the Authority's budget will be going to Conference Committee.

At 12:34pm the Board adjourned for the Closed Session portion of the meeting.

The public meeting resumed with no reportable actions taken during closed session.

The meeting was adjourned at 1:15 pm.